GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:427
ANSWERED ON:25.08.2005
UNDERCHARGING OF LEASE RENT
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether cases of undercharging lease rent from some private parties by the Airports Authority of India has come to the notice of the Government;

(b) if so, the details thereof;

(c) the loss of revenue as a result thereof;

(d) the reasons for undercharging of lease rent from the private parties;

(e) the action taken against the persons responsible for such lapses; and

(f) the steps taken by the Government to check the recurrence of such incidents?

Answer

- MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION(SHRI PRAFUL PATEL)

(a), (b), (c), (d), (e) & (f) :- A Statement is laid on the Table of the House.

Statement in reply to parts (a), (b), (c), (d), (e) & (f) to Lok Sabha () Starred Question No.427 for 25.8.2005 regarding Undercharging Lease Rent.

(a) Yes, Sir.

(b) & (c) A few cases of undercharging of lease rent by Airports Authority of India (AAI) have come to the notice of the Government on the basis of Audit Report. Comptroller and Auditor General of India (C&AG) Audit Para No.4.1.4, Report No.(3) of 2001 indicates that at Hyderabad Airport by allotting space at a lower rate AAI had to forego revenue. Another C&AG Audit Para 2.1.1, Report No.(3) of 2004 (Commercial) indicates loss of revenue pertaining to lease agreement by AAI with respect to Hotel Corporation of India (HCI), a subsidiary of Air India which was subsequently disinvested.

(d) Fixation of land lease rate by the Hyderabad Airport at a lower rate was an irregularity. As far as the matter relating to Mumbai Airport Centaur is concerned, the Government has already referred the whole case of Mumbai Airport Centaur to Central Bureau of Investigation (CBI) for an inquiry.

(e) For the matter relating to Hyderabad Airport lease agreement, investigation has been carried out and major penalty charge sheet have been issued to the concerned officials. A recordable warning has already been issued to one official. In addition, action under Public Premises Eviction (PPE) Act has also been taken by the AAI. The Estate Officer has passed an order for eviction. The order has been challenged and party obtained stay. The matter is subjudice. In the matter regarding Mumbai Airport Centaur, a preliminary inquiry registration report has been registered by CBI.

(f) AAI has decided to appoint a Consultant to rationalize the whole policy of lease rental, escalation etc. A process of computerization of land record has also been started. The progress in this regard is periodically reviewed.